

# Town of Lunenburg

## FY 2020 Budget, Town Manager Recommendation

February 14, 2019

Heather R. Lemieux, Town Manager

# FY2020 Budget Timeline to Date

- Finance Committee began in September 2018
- Capital Planning Committee began in October 2018, met with departments in November and December 2018
- Town Manager sent target budgets to departments in December 2018 due back on January 10, 2019
- Capital Planning Committee finalized FY20 Plan in January
- Town Manager presented FY20 Capital Plan and FY20-FY24 Five Year Financial Forecast at the end of January 2019
- Per the Charter the Town Manager presents a Preliminary FY20 Budget by mid-February

# Preparing the FY2020 Recommendation

- Goal was to create a balanced budget that funds operating budgets using recurring revenues at current service levels with some exceptions.
- Original target budget used in December and Proposed budget uses conservative revenue projections.
- Meet the Town's Financial Policies
- Certified Free Cash not used on operating budget and abides by the Town's Financial Policies:
  - **\$910,000 of Free Cash** towards Capital Items;
  - **\$150,000 of Free Cash** towards OPEB liability costs (10% of previous year's certified free cash);
  - **\$100,000 of Free Cash** deposited into the regular Stabilization Account per the policy;
  - **\$200,000 of Free Cash** to be deposited into Special Purpose Stabilization Account for upcoming large capital projects.

# FY2020 Target Budget

- On the Revenue side:
  - In December we did not have the Governor's proposal so used level funded State Aid figures from FY19
  - Other revenue categories remained the same in the Preliminary Recommended Budget
- On the Expenditure side:
  - Departments were sent target budgets to meet in December that included all contractual increases and level funded other expense categories
  - Level funded Cherry Sheet Offsets, State & County Charges and Choice/Charter Assessments
  - Did not include an allowance for Snow & Ice
  - Included a 8% increase for Health Insurance

# FY2020 Preliminary Budget Recommendation

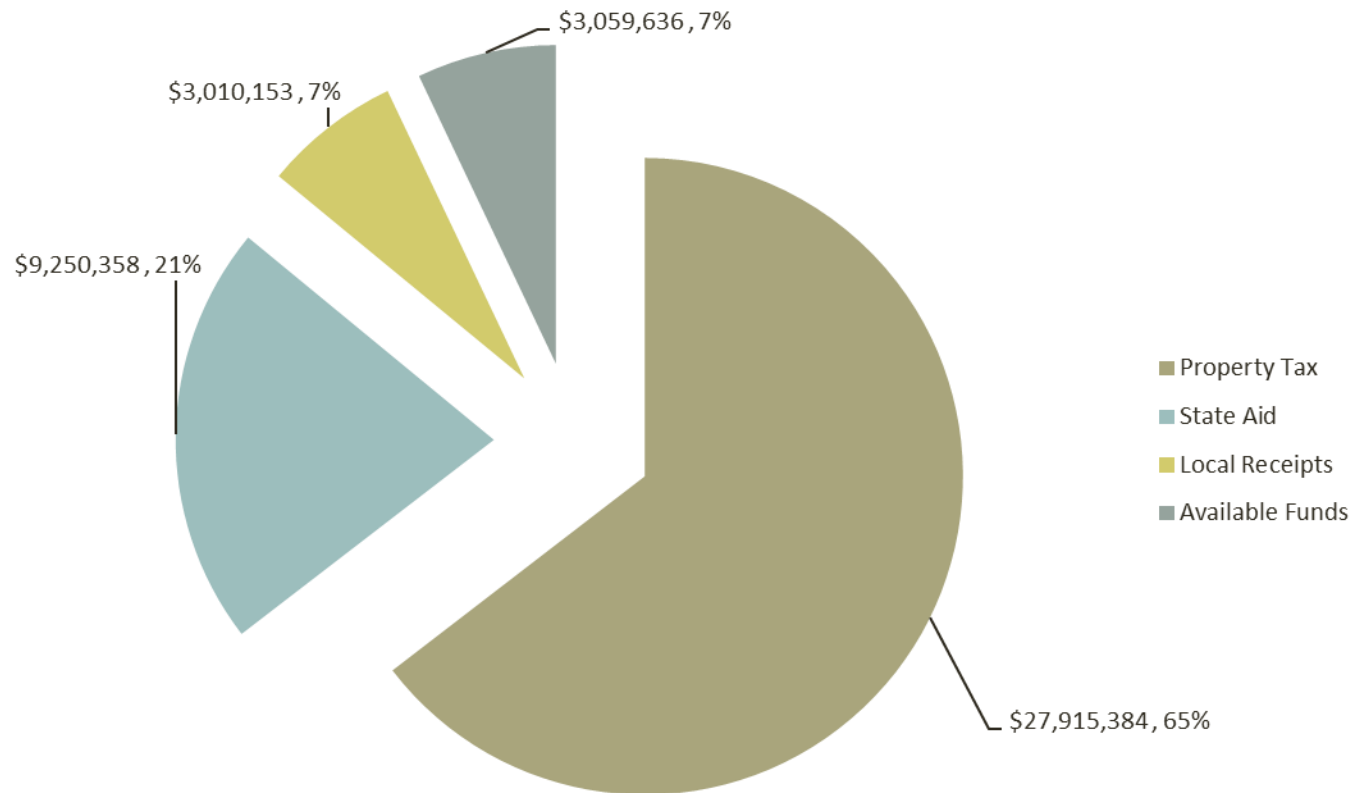
## Assumptions and “Unknowns”

- Revenues:
  - State Aid and State Assessments (Governor’s Budget Proposal); Governor’s proposal is a 2.7% increase
  - New Growth: Assumes \$375,000; may need to adjust downward
- Expenditures:
  - Health Insurance: Health insurance renewal rec’d end of February; assumes 5% Health Insurance Increase
  - Liability and WC Insurance: Renewals rec’d late March
  - Monty Tech Assessment: Assumes 2.5% increase; assessments received beg. of March
  - Assessors Assessing Software
  - Snow and ice deficit for FY19: The budget includes deficit funding of \$150,000 for the remainder of snow and ice expenditures for FY19. The FY19 Appropriation is \$275,720 and the current unexpended balance is approximately \$31,000. Last year the deficit was \$131,000 and was covered with end of the year interdepartmental transfers.

## FY2020- Projected Revenues

• Property Tax	\$27,915,384
• State Aid	\$ 9,250,358
• Local Receipts	\$ 3,010,153
• Other Avail. Funds	\$ 3,059,636
• Total	<b>\$43,235,531</b>

# FY2020- Revenue Estimates



# FY2020 Revenue Estimates

	FY2017	FY2018	FY19 TM	FY20 TM	
	After Recap	After Recap	After Recap	Recommendation	Dollar Increase
Revenue					Over PY
Property Tax*	\$ 24,770,960	\$ 25,848,475	\$ 26,994,911	\$27,915,384	\$ 920,473.54
State Aid	\$ 7,998,947	\$ 8,972,793	\$ 9,074,334	\$ 9,250,358	\$ 176,024
Local Receipts	\$ 2,852,226	\$ 2,867,168	\$ 2,940,817	\$ 3,010,153	\$ 69,336
Available Funds**	\$ 1,790,591	\$ 2,240,771	\$ 2,669,543	\$ 3,059,636	\$ 390,093
<b>total:</b>	<b>\$ 37,412,724</b>	<b>\$ 39,929,207</b>	<b>\$ 41,679,605</b>	<b>\$43,235,531</b>	<b>\$ 1,555,926</b>
*Property Tax includes starting tax levy, 2 1/2%, New Growth, Excludable Debt					
** Available funds will fluctuate mainly due to use of free cash.					

## ■ Noteworthy Highlights:

- Increase in Governor's State Aid Proposal more than FY19 increase
- Estimate for local receipts is conservative
- Available funds reflects significant increase in amount of free cash to be used on capital plan. As indicated, this fluctuates mainly due to use of free cash.



# FY 2020- Property Tax

- Property Tax –
  - Prior Year base (\$24,137,396) plus 2 ½% increase (\$603,434)
  - Estimate for New Growth (\$375,000)
  - No New Overrides or Exclusions
    - Excluded Debt from previous projects for FY20 = \$2,799,553
  - Maximum allowable tax levy for FY2020=\$27,915,384

# FY2020- New Growth

New Growth History				
Fiscal Year		RE	PP	Total
2019		375,234	97,262	472,536
2018		385,692	95,804	481,496
2017		429,588	58,367	487,955
2016		320,250	40,606	360,856
2015		185,330	77,154	262,484
Average	▲	339,219	▲ 73,839	413,065
Estimate		325,000	50,000	375,000

# FY2020- State Aid

- This budget recommendation includes the Governor's State Aid proposal
- Governor's Budget, House 1, was released on 01.24.18
- Budget Proposal provides for additional \$201,046 in Chapter 70 funds (4.3% increase) and an additional \$29,522 in Unrestricted General Government Aid (2.7% increase); the total estimate for FY20 = \$9,250,358 an increase of 2.7% due to decreased amounts in other cherry sheet numbers such as veterans benefits, state owned land and smart growth school reimbursement.
- 40S Smart Growth included on both the Revenue and Expense Side; if not in final State Aid figure will remove on both Revenue and Expense side. The Governor's FY20 proposal includes \$17,686.

# History of State Aid

## STATE AID CHERRY SHEET

	FY2011 Budget	FY2012 Budget	FY2013 Budget	FY2014 Budget	FY2015 Budget	FY2016 Budget	FY2017 Budget	FY2018 Budget	FY2019 Budget	FY2020 Projected
Chapter 70 Education Aid	4,498,396	4,522,545	5,219,937	5,354,696	5,605,872	5,834,483	6,351,257	7,272,505	7,538,072	7,739,118
Charter Tuition Reimbursement	66,038	75,071	143,361	130,068	50,717	133,545	33,934	78,091	17,860	25,638
Charter Facility Reimbursement										
Smart Growth					183,618	166,960	119,257	119,257	29,195	17,686
School Lunch (offset)	8,112	9,647	8,887	8,087	7,451	-	-	-	-	
School Choice Receiving Tuition (offset)	393,693	370,139	319,057	298,593	241,290	227,741	268,906	281,212	241,647	186,746
Unrestricted General Government Aid	894,449	829,777	894,449	915,592	940,983	974,858	1,016,777	1,056,431	1,093,406	1,122,928
Veterans Benefits		10,568	14,496	26,454	40,539	55,238	81,303	45,280	35,873	55,161
Exemptions VBS and Elderly	57,429	58,621	57,665	60,628	61,689	63,425	66,101	58,172	55,517	61,979
State Owned land	46,150	47,800	48,829	49,795	47,844	47,844	47,275	47,230	47,230	25,061
Police Career Incentive	5,914							-		
Public Libraries (offset)	12,138	12,222	12,078	11,488	14,647	14,398	14,137	14,615	15,534	16,041
<b>TOTAL Cherry Sheet ③</b>	<b>5,982,319</b>	<b>5,936,390</b>	<b>6,718,759</b>	<b>6,855,401</b>	<b>7,194,650</b>	<b>7,518,492</b>	<b>7,998,947</b>	<b>8,972,793</b>	<b>9,074,334</b>	<b>9,250,358</b>

# FY2020- Local Receipts

- Estimated Local Receipts – increased \$69,336, or 2.36% over the previous year's estimates
  - Motor Vehicle Excise Tax, licenses, permits, fees, fines, investment income
  - Elastic Revenues- very dependent upon the economy

# FY2020 –Local Receipts

- Local Receipts: Estimate is an overall increase of 2.36% over the previous fiscal year estimates.

	FY2017	FY2018	FY2019	FY2020
	After Recap	After Recap	Estimated	Estimated
<b>Local Receipts</b>				
Motor Vehicle Excise	\$ 1,797,104	\$ 1,789,274	\$ 1,621,640	\$ 1,667,827
Penalties & Interest on Taxes	\$ 202,888	\$ 337,927	\$ 193,552	\$ 197,423
Payments in lieu of Taxes	\$ 1,647	\$ 1,650	\$ 1,735	\$ 1,770
Fees	\$ 126,248	\$ 172,569	\$ 162,758	\$ 166,013
Departmental Revenue- Schools	\$ 134,810	\$ 174,756	\$ 140,343	\$ 143,150
Departmental Revenue-Cemeteries	\$ 4,800	\$ 5,350	\$ 5,350	\$ 5,457
Other Departmental Revenue- Ambulance Fees	\$ 248,099	\$ 270,398	\$ 243,953	\$ 248,832
Licenses & Permits	\$ 309,511	\$ 202,350	\$ 202,350	\$ 206,397
Special Assessments	\$ 16,881	\$ 15,162	\$ 15,162	\$ 15,465
Fines & Forfeits	\$ 22,494	\$ 29,716	\$ 29,716	\$ 29,716
Investment Income	\$ 44,962	\$ 61,701	\$ 61,701	\$ 62,935
Miscellaneous, Solar Net Metering Credits	\$ 121,847	\$ 132,028	\$ 132,028	\$ 132,028
Miscellaneous, Local Option Meals	\$ 100,666	\$ 96,112	\$ 96,113	\$ 98,035
Miscellaneous, Supplemental Tax	\$ 71,648	\$ 97,562	\$ 34,416	\$ 35,104
Miscellaneous, RDS, Medicare Part D Reimbursement		\$ -		
Miscellaneous, Bond Premium		\$ -		
Miscellaneous, Medicaid Reimbursement		\$ -		
Miscellaneous, Supplemental State Aid		\$ -		
Miscellaneous Non- Recurring	\$ -	\$ -		
<b>total:</b>	<b>\$ 3,203,605</b>	<b>\$ 3,386,554</b>	<b>\$ 2,940,817</b>	<b>\$ 3,010,153</b>
Dollar Increase Over Prior Year		\$ 182,949	\$ (445,737)	\$ 69,336
Percentage Increase Over Prior Year		5.71%	-13.16%	2.36%

# FY2020- Available Funds

- Available Funds

- MSBA Reimbursement: \$534,198. Reimbursement and associated debt payment will expire in 2023
- Water & Sewer Betterments
  - Fully funds associated debt service for water and sewer debt
- Sewer Enterprise Fund to fund Indirect Costs
- Transfers \$43,500 from the Artificial Turf Revolving Fund to pay the associated costs for the Artificial Turf Field Debt for FY20
- Uses \$6,350 from Bond Premiums Reserved for Capital
- Prior Year Unexpended Articles for Capital: \$167,129
- Uses \$1,360,619 from certified Free Cash Available for appropriation used to offset the FY20 Capital Plan, OPEB, regular Stabilization Account and transfers funds to Special Purpose Stabilization Account.

# Expenditures

- Expenditures are a reflection of the cost of providing a level of services to residents of all ages in our community, to visitors traveling or doing business in Lunenburg, and maintaining or improving our assets.
- As a town, we provide services to students, we provide health and human services to seniors and veterans, recreational services, public safety to all
- The balance is to provide the best level of services given the available resources, maintain our assets, and put aside funding for anticipated capital and into our “rainy day fund”.



# Expenditures

- Expenditures are divided into:
  - Departments
  - Non-Appropriated Costs: Cherry Sheet Offset Charges, Allowance for Abatements, Tax Title, Retirement Assessment
  - Sewer Enterprise Fund
  - Solid Waste Disposal Enterprise Fund
  - Other Warrant Articles with a Financial Impact including transfers into Stabilization, Special Purpose Stabilization, OPEB Trust Fund and Capital

# FY2020 Expenditures

	FY2018	FY2019	FY2020	FY2020	Dollar Increase
	After Recap	After Recap	Target Budget	TM Recommendation	Over PY
<b>Expenditures:</b>					
<b>General Fund Expenditures:</b>					
General Government	\$ 1,336,339	\$ 1,426,619	\$ 1,510,446	\$ 1,520,022	\$ 93,403
Central Purchasing	\$ 55,303	\$ 55,303	\$ 60,303	\$ 60,303	\$ 5,000
Police	\$ 1,633,882	\$ 1,747,289	\$ 1,844,098	\$ 1,835,114	\$ 87,825
Fire	\$ 870,622	\$ 1,022,490	\$ 1,122,026	\$ 1,138,434	\$ 115,945
Radio Watch	\$ 255,719	\$ 276,467	\$ 301,568	\$ 290,031	\$ 13,564
Other Protection	\$ 181,270	\$ 191,083	\$ 192,922	\$ 192,058	\$ 975
Department of Public Works	\$ 1,589,171	\$ 1,668,378	\$ 1,794,128	\$ 1,806,249	\$ 137,871
Public Buildings & Facilities	\$ 753,216	\$ 670,851	\$ 704,790	\$ 707,239	\$ 36,388
Solid Waste	\$ 153,230	\$ 156,360	\$ 221,032	\$ 218,450	\$ 62,090
Health & Sanitation	\$ 70,867	\$ 73,839	\$ 76,372	\$ 77,317	\$ 3,478
Council on Aging	\$ 134,025	\$ 139,718	\$ 143,789	\$ 143,889	\$ 4,171
Veterans	\$ 105,775	\$ 105,775	\$ 105,775	\$ 105,775	\$ -
Lunenburg Public Schools	\$ 19,721,306	\$ 20,207,796	\$ 20,712,549	\$ 20,712,549	\$ 504,753
Monty Tech Assessment	\$ 877,527	\$ 824,011	\$ 844,611	\$ 844,611	\$ 20,600
Library	\$ 381,710	\$ 407,654	\$ 413,592	\$ 416,277	\$ 8,623
Debt Service	\$ 4,824,107	\$ 4,758,053	\$ 4,638,683	\$ 4,638,683	\$ (119,369)
Unclassified	\$ 2,911,296	\$ 3,136,216	\$ 3,357,611	\$ 3,289,027	\$ 152,811
Retirement Assessment	\$ 1,106,982	\$ 1,221,814	\$ 1,353,221	\$ 1,354,353	\$ 132,539
				\$	\$ -
<b>sub-total:</b>	<b>\$ 36,962,346</b>	<b>\$ 38,089,715</b>	<b>\$ 39,397,516.68</b>	<b>\$ 39,350,382.16</b>	<b>\$ 1,260,667</b>

# FY2020 Target Budget Highlights

- General Govt: \$60K for an Asst Town Manager/HR Director, \$8K increase for updates to General Code
- Police- \$80k for add'l Patrol Officer
- Fire – \$58k for add'l Career Firefighter
- Regional Dispatch- \$25K assessment increase
- DPW- \$50K for Pavement Management; additional \$40K for Facilities; \$45K for FT Recreation Director
- Recycling Program: \$65K due to recycling market changes
- Lunenburg Public Schools-\$504K for a 2.5% increase
- Monty Tech Assessment- \$20K for a 2.5% increase
- Health Insurance-\$186K or 8% increase

# FY2020 Above Target Highlights:

- General Govt: **\$8K** more than target for add'l funds for election, census and registration workers
- Police- **Reduction of \$9k** from target budget figure
- Fire – additional **\$92k** more than target to hire Career Firefighter , associated costs, Training for Paramedic & only funds OT at 44%
- Radio Watch- **\$38k** for weekend coverage for Desk Officer at PSB
- DPW- **\$60K** for Stormwater related costs; **reduction of \$16K** due to restructuring Vehicle Maintenance
- Lunenburg Public Schools – Total original request **+629K over target** to fund Superintendent/ School Committee Recommended Budget (5.9% increase as of end of December).

# FY2020 TM Preliminary Budget:

- General Govt: Funds the target and above target requests for Asst. TM/HR Director, election/census/reg workers salaries, software costs
- Police- Funds requested budget for additional FT Patrol Officer
- Fire – Funds target budget and **\$16K** of above target request for the continuation of paramedic training for the two new firefighters and more adequately addresses OT costs
- Regional Dispatch-**\$3K** coverage for desk officer on holidays
- DPW- additional **\$50K** for Pavement Management; additional **\$40K** for Facilities; **\$20K** for PT Recreation Director; additional **\$60K** for Stormwater
- Recycling- **\$62K** due to recycling market changes
- Health Insurance- Currently reduced to max. of **5% increase or \$116,183** increase. Actual renewal by the end of February.
- Lunenburg Public Schools – **Preliminary recommendation 2.5% increase**; due to the reduction in health insurance figure from 8% to 5%, the School level service request is now a 3.04% increase or \$109K more than target budget and Supt. Recommended budget is 5.5% increase or \$600K more than target budget.

# FY2020 Expenditures-

## Non-Discretionary- Debt Service

Total appropriation for Debt Service = \$4,638,683

	FY2018		FY2019		FY2020		FY2020 TM		Dollar Increase
	After Recap		After Recap		Target Budget		Recommendation		Over PY
Total: Debt Service	\$	4,824,108	\$	4,758,053	\$	4,638,683	\$	4,638,683	\$(119,369)
							\$		-
offsets:							\$		-
Tax, Outside Prop 2 1/2	\$	2,760,808	\$	2,857,515	\$	2,799,553	\$	2,799,553	\$(57,962)
Sewer Betterment	\$	843,548	\$	812,905	\$	817,901	\$	817,901	\$4,996
Water Betterment	\$	62,781	\$	58,468	\$	56,838	\$	56,838	\$(1,631)
Septic Receipts	\$	10,868	\$	10,868	\$	10,868	\$	-	\$(10,868)
Bond Premium							\$		-
MSBA	\$	534,198	\$	534,198	\$	534,198	\$	534,198	-
							\$		-
Net Impact: General Fund	\$	611,905	\$	484,098	\$	419,325	\$	430,193	\$(53,905)

# Current Debt Schedule

## Town of Lunenburg

### Debt

	FY2018 Budget	FY2019 Budget	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Total General Fund Regular Debt	\$ 679,453.60	\$ 549,778.24	\$ 485,646.57	\$ 450,585.08	\$ 441,630.04	\$ 393,412.48	\$ 274,266.21
Total General Fund Excludable Debt	\$ 3,296,637.16	\$ 3,393,089.25	\$ 3,334,870.36	\$ 3,252,019.64	\$ 3,228,498.15	\$ 3,230,589.79	\$ 2,396,328.76
Total General Fund Short-term Interest	\$ 4,157.21	\$ 1,991.78	\$ -	\$ -	\$ -	\$ -	\$ -
Total Sewer Debt	\$ 836,151.59	\$ 806,851.33	\$ 812,828.95	\$ 800,201.18	\$ 702,691.70	\$ 685,558.29	\$ 645,143.85
<b>Grand Total Debt Service</b>	<b>\$ 4,816,399.56</b>	<b>\$ 4,751,710.60</b>	<b>\$ 4,633,345.88</b>	<b>\$ 4,502,805.90</b>	<b>\$ 4,372,819.89</b>	<b>\$ 4,309,560.56</b>	<b>\$ 3,315,738.82</b>
Premiums/MSBA Reimb Excludable Debt	\$ 535,829.39	\$ 535,574.41	\$ 535,316.88	\$ 535,051.19	\$ 534,779.55	\$ 534,501.26	\$ 59,968.64
<b>Net Excludable Debt - Tax Levy - DE1</b>	<b>\$ 2,760,807.77</b>	<b>\$ 2,857,514.84</b>	<b>\$ 2,799,553.48</b>	<b>\$ 2,716,968.45</b>	<b>\$ 2,693,718.60</b>	<b>\$ 2,696,088.53</b>	<b>\$ 2,336,360.12</b>
Regular Debt Administrative Fees	\$ 312.03	\$ 287.65	\$ 262.78	\$ 237.40	\$ 211.51	\$ 185.10	\$ 158.15
Sewer Debt Administrative Fees	\$ 7,396.65	\$ 6,054.25	\$ 5,072.45	\$ 4,128.72	\$ 3,184.46	\$ 2,434.03	\$ 1,672.43
<b>Transfer from Sewer Enterprise - Sewer Debt Service</b>	<b>\$ 843,548.24</b>	<b>\$ 812,905.58</b>	<b>\$ 817,901.40</b>	<b>\$ 804,329.90</b>	<b>\$ 705,876.16</b>	<b>\$ 687,992.32</b>	<b>\$ 646,816.28</b>
<b>Transfer from Septic Receipts Reserved</b>	<b>\$ 10,868.00</b>	<b>\$ 10,868.00</b>					
<b>Meadow Woods Water Betterment Revenue</b>	<b>\$ 62,781.00</b>	<b>\$ 58,468.13</b>	<b>\$ 56,837.50</b>	<b>\$ 55,837.50</b>	<b>\$ 54,837.50</b>	<b>\$ 58,837.50</b>	<b>\$ 57,587.50</b>
<b>Transfer from Artificial Turf Revolving</b>		<b>\$ 44,930.56</b>	<b>\$ 43,500.00</b>	<b>\$ 46,473.00</b>	<b>\$ 44,318.19</b>	<b>\$ 42,134.74</b>	<b>\$ 39,321.78</b>
<b>Net Regular Debt Service</b>	<b>\$ 610,273.84</b>	<b>\$ 437,790.98</b>	<b>\$ 385,571.85</b>	<b>\$ 348,511.98</b>	<b>\$ 342,685.86</b>	<b>\$ 292,625.34</b>	<b>\$ 177,515.08</b>
<b>% of Net Regular Debt to Levy (cap of 4% per Policy)</b>	<b>2.64%</b>	<b>1.81%</b>	<b>1.54%</b>	<b>1.33%</b>	<b>1.26%</b>	<b>1.04%</b>	<b>0.61%</b>
<b>Available Capacity to reach cap of 4% policy</b>			<b>2.59%</b>	<b>2.03%</b>	<b>2.56%</b>	<b>3.29%</b>	<b>5.44%</b>
<b>Available Capacity to reach cap of 4% policy</b>			<b>\$ 650,518.05</b>	<b>\$ 531,466.30</b>	<b>\$ 695,545.70</b>	<b>\$ 927,512.86</b>	<b>\$ 1,593,627.79</b>
<b>Net Excludable Debt</b>	<b>\$ 2,760,807.77</b>	<b>\$ 2,857,514.84</b>	<b>\$ 2,799,553.48</b>	<b>\$ 2,716,968.45</b>	<b>\$ 2,693,718.60</b>	<b>\$ 2,696,088.53</b>	<b>\$ 2,336,360.12</b>
<b>% of Excludable Debt to Total Levy (cap of 11% per Policy)</b>	<b>10.68%</b>	<b>10.61%</b>	<b>10.03%</b>	<b>9.42%</b>	<b>9.03%</b>	<b>8.73%</b>	<b>7.39%</b>
<b>% of Aggregate Debt Service Costs to Total Levy (cap of 14% per Policy)</b>	<b>13.04%</b>	<b>12.23%</b>	<b>11.41%</b>	<b>10.63%</b>	<b>10.18%</b>	<b>9.67%</b>	<b>7.95%</b>

# FY2020 Expenditures, Non-Discretionary-General Government Unclassified

- Insurance Estimates

- Liability, Police/ Fire IOD and Worker's Compensation are level funded based on actual expenditures for FY18 and FY19 and a FY20 renewal agreement for a 0% rate increase
- Health Insurance Renewal estimate is 5% increase:
  - 38% of Health Insurance budget is active town employees; 62% is retiree health insurance for both town and school
  - Retirees renewal is on a calendar year basis and is based on a 5% increase for MedEx 2, Managed Blue and Medicare.
  - A new Public Employee Committee Agreement went into effect in FY19 and included plan design changes that reduced our current and retiree health insurance costs.
  - We will receive our Health Insurance renewals by the end of February.



# FY2020 Expenditures, Non-Discretionary- Worcester County Retirement Assessment

Summary of Member Data	Total
<b>Active Members</b>	168.81
Average Age	48.00
Average Service	9.00
Valuation Salary	5,981,089.00
Average Salary	\$35,183.00
<b>Retired Members &amp; Beneficiaries</b>	81.00
Average Age	73.20
Total Annual Pension	1,618,231.00
Average Annual Pension	\$19,978.00
<b>Disabled Members - Accidental</b>	4.00
Average Age	65.10
Total Annual Pension	123,854.00
Average Annual Pension	\$30,964.00
<b>Disabled Members- Ordinary</b>	1.00
Average Age	52.70
Total Annual Pension	6,436.00
Average Annual Pension	\$6,436.00
<b>Inactive Members</b>	51.00
Annuity Savings Fund	\$502,636.00

# FY20 Expenditures, Non-Discretionary- Worcester County Retirement Assessment

<b>Unfunded Actuarial Accrued Liability as of January 1, 2018</b>	
<b>Summary of Member Data</b>	<b>Total</b>
<b>Actuarial Accrued Liability</b>	
Active Members	15,216,472.00
Retired Members & Beneficiaries	16,076,442.00
Disabled Members, Accidental	1,347,822.00
Disabled Members, Ordinary	109,840.00
Inactive Members	502,636.00
<b>total AAL=</b>	<b>33,253,212.00</b>
<b>Unfunded Actuarial Accrued Liability (UAAL)</b>	
Actuarial Accrued Liability	33,253,212.00
Actuarial Value of Assets	15,354,722.00
Unfunded Actuarial Accrued Liability	17,898,490.00
<b>FY2020 Assessment</b>	
Employer Normal Cost (Benefit - Employee Contrib + Admin Costs)	457,035.00
Payment on UAL	922,589.00
Payment on 2002 ERI	
Payment on 2003 ERI	
Payment on 2010 ERI	
<b>Total Assessment:</b>	<b>1,379,624.00</b>
early payment discount	25,271.00
<b>Total if paid on July 1st</b>	<b>1,354,353.00</b>

# FY2020 Expenditures-Non-Appropriated Expenditures

	FY2018	FY2019	FY2020	FY2020 TM	Dollar Increase
	After Recap	After Recap	Target Budget	Recommendation	Over PY
Court Judgments					
Cherry Sheet Charges	\$ 1,388,782	\$ 1,044,696	\$ 1,044,696	\$ 1,012,516	\$ (32,180)
Cherry Sheet Offsets	\$ 295,827	\$ 257,181	\$ 257,181	\$ 202,787	\$ (54,394)
Overlay	\$ 175,000	\$ 175,016	\$ 175,000	\$ 175,000	\$ (16)
Tax Title	\$ 8,000	\$ 10,500	\$ 12,000	\$ 12,000	\$ 1,500
<b>sub-total:</b>	<b>\$ 1,867,609</b>	<b>\$ 1,487,393</b>	<b>\$ 1,488,877</b>	<b>\$ 1,402,303</b>	<b>\$ (85,090)</b>

## Noteworthy Highlights:

- Cherry Sheet Charges and Cherry Sheet Offsets decreased slightly from the previous fiscal year.
- Preliminary amount for Tax Title should be revisited once all expenses are known.

# FY2020 Expenditures- Capital, OPEB, Stabilization

	FY2018		FY2019		FY2020		FY2020 TM		Dollar Increase
	After Recap		After Recap		Target Budget		Recommendation		Over PY
Other Warrant Articles:									
Capital Articles	\$	658,317	\$	1,455,214	\$	1,684,100	\$	1,684,100	\$ 228,886
Other Capital								\$	-
Police Detail Revolving								\$	-
Prior Year Expenses	\$	21,411						\$	-
OPEB Liability	\$	100,000	\$	100,656	\$	150,000	\$	150,000	\$ 49,344
Stabilization Fund	\$	84,523	\$	87,000	\$	100,000	\$	100,000	\$ 13,000
Special Purpose Stabilization Fund	\$	235,000	\$	399,227	\$	200,000	\$	200,000	\$ (199,227)
								\$	-
	sub-total: \$	1,099,251	\$	2,042,097	\$	2,134,100	\$	2,134,100	\$ 92,003

# FY2020 Capital

Priority #	CIP#	Dept.	Project Name	Category	FY2020 Projected
1	FD18-01	Fire	Vital Sign Airway Monitors	Equipment	15,000.00
2	PD17-01-A	Police	Police Vehicle, 1 marked	Vehicle	68,000.00
3	PD17-01-B	Police	Police Vehicle, 1 unmarked replacement	Vehicle	48,000.00
4	FD16-15	Fire	Engine 4 Replacement (1995)	Vehicle	685,000.00
5	LPS19-01	Schools	PRI/THES Wifi Upgrade	Equipment	19,600.00
6	GG19-01	Town Clerk	Voting Machines	Equipment	26,500.00
7	LPS16-19-B	Schools	THMS, Asbestos Abatement/ Ceiling Replacement	Facilities	162,000.00
8	FM17-10B	DPW	Fuel Tanks at DPW	Facilities	220,000.00
9	PD18-02	Police	Patrol Rifles and Shotguns	Equipment	16,000.00
10	GG19-02	Planning	Master Plan	Planning	50,000.00
11	FD17-02	Fire	Rescue 2, Replacement 19R2 (2008)	Vehicle	310,000.00
12	FM16-15	DPW	Teen Center, Paint Exterior	Facilities	12,000.00
13	FM19-01	DPW	Parks- Wallis Park Bball Court and Fence	Facilities	36,000.00
14	FM16-01	DPW	PSB, Bldg Automation System	Facilities	16,000.00
			Total Capital Plan		1,684,100.00
		Funding:	Raise & appropriate		600,000.00
			Free cash		910,619.95
			Unexpended Capital		167,129.56
			Premium Reserved for Capital		6,350.49
			Total		1,684,100.00

# FY2020 Expenditures- Less Discretionary & Discretionary

The FY 2020 Budget Recommendation reflects requests to meet the service needs for various departments:

- Includes One Additional Police Officer;
- Addresses Rise in Overtime Costs in Fire Department budget due to moving to 24/7 coverage and continues training for new staff to become paramedics;
- Includes an Assistant Town Manager position;
- Includes Part time Recreation Director position;
- Adds two hours for staff person at the Library;
- Includes additional \$50K for Pavement Management;
- Includes additional \$40 for Facilities;
- Includes additional \$60K for costs related to Stormwater (MS4 Permit requirements)

Departments will provide a more in-depth review of above level service needs versus Level Service Budget during individual presentations

# Education

- Lunenburg Public Schools
  - Preliminary Budget Recommendation is a 2.5% increase. This would be an increase of \$504,753, excluding 40S Smart Growth funding;
  - Once we receive our health insurance and other insurance renewal rates, expect that we will revisit the target budget for the School.
  - 40S Smart Growth for Curriculum Adoption (separate from curriculum adoption within the School operating budget) is funded at the Governor's Proposal figure of \$17,686
- Montachusett Regional High School:
  - Preliminary Budget Recommendation is a 2.5% increase. We receive our assessment around the beginning of March.

# FY2020 Expenditures-

## Conclusions

- Includes Governor's Budget Proposal for State Aid- figures which are subject to change.
- Fully funds all contractual obligations and increased costs for non-personnel related expenditures
- Balanced based upon use of recurring revenues for operating costs; no draw on Stabilization Fund or Free Cash for operating expenses
- Maintaining Level Services with 2.5 additional town employees
- Preliminary budget does not meet School's level service budget; goal would be to revisit once unknowns become clearer
- Recommended budget does not fully meet service needs as requested by Department Heads
- Recommendation sets aside \$150,000 to address unknown Snow & Ice Deficit



# Conclusion- Next Steps

- Finance Committee will begin a detailed review of the FY20 Budget- Feb 21<sup>st</sup>
- House Ways & Means Budget, end of April
- Senate Budget, end of May
- Town Meeting: May 4
- Town Election: May 18
- State Budget: Conference Committee by June 30<sup>th</sup>
- State Aid finalized by July

# FinCom Budget Meeting Schedule

<b>Thursday, February 14, 2019</b>		
	7:00	Town Manager's Budget Presentation
<b>Thursday, February 21, 2019/Snow Date- Monday, February 25, 2019</b>		
	7:00	Council on Aging
	7:30	Library
	8:00	Land Use
<b>Thursday, February 28, 2019/Snow Date- Monday, March 4, 2019</b>		
	7:00	Fire
	8:00	Police
<b>Thursday, March 7, 2019/ Snow Date- Monday, March 11, 2019</b>		
	7:00	Monty Tech
	8:00	Sewer
<b>Thursday, March 14, 2019/ Snow Date- Monday, March 18, 2019</b>		
	7:00	DPW
	8:00	Lunenburg Public Schools
<b>Thursday, March 21, 2019 / Snow Date- Monday, March 25, 2019</b>		
	7:00	Public Access Committee
	7:30	Administration, Unclassified, Debt Service
	8:00	Other Monied Articles
<b>Thursday, March 28, 2019</b>		
	7:00	FY2020 Budget Public Hearing and Vote on Recommendations